

Enterprises in Europe - Third Report

Note on the publication

Enterprises in Europe - Third Report is the result of a joint effort between Directorate General XXIII of the European Commission and Eurostat, the Statistical Office of the European Communities.

The publication contains the most up-to-date and harmonised available data broken down by size-class of enterprises and detailed activity sectors for 23 countries which include the Member States of the European Economic Area, Switzerland, the USA, Canada, Japan and Australia.

Subjects covered are: the structural statistics of enterprises, employment and production per country and estimates for the whole of EUR 12. There are also several special studies on the demography of enterprises, micro enterprises, SME definition and financial indicators for SMEs.

The publication is in two volumes and contains approximately 600 pages. It will be on sale from the Office for Official Publications of the European Communities from September 1994.

The structure of EUR 12 enterprises and the importance of SMEs

In EUR 12 in 1990 there were roughly 14 million enterprises employing 92 million persons, or 64% of the EUR 12 active population, obtaining a total turnover of ECU 10 500 billion. Therefore since 1988 the number of enterprises had increased by 9%, employment had increased slightly less (8%) and turnover showed a higher increase of 13% (deflated values) (Table 1).

Micro enterprises (i.e. firms employing 1-9 persons) represented 93% of the total number of enterprises and accounted for 32% of employment and 24% of turnover. There were 12 000 large enterprises in EUR 12 which were responsible for 28% of employment and 29% of turnover (Figures 2 and 3).

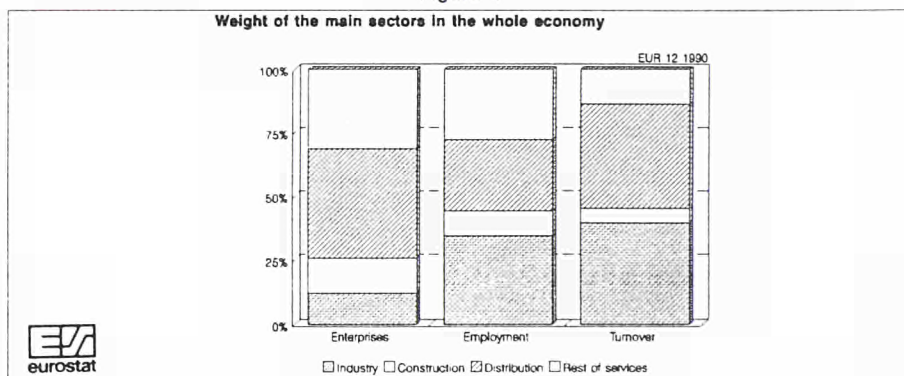
Table 1
EUR 12 enterprises by employment size-class

EUR 12 1990	Enterprises	Employment	Turnover million ECU
Total	14 238 504	92 071 601	10 543 251
Class 0	52.6%	9.7%	6.5%
1-9	40.1%	21.9%	17.4%
10-99	6.7%	25.1%	29.3%
100-499	0.5%	14.9%	17.4%
500+	0.1%	28.4%	29.4%

Source: Eurostat.

Figure 1

Weight of the main sectors in the whole economy



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Figure 2

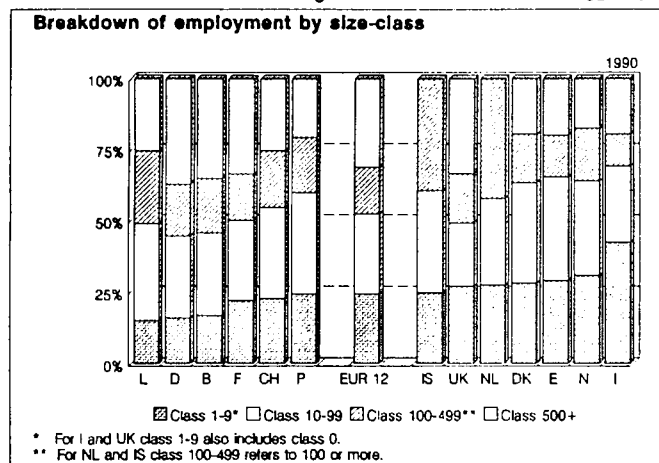
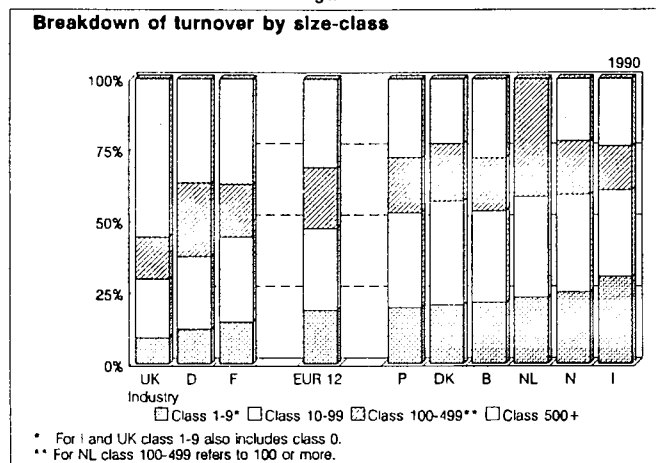


Figure 3



SMEs (i.e. enterprises with 1-499 employees, but, for the purposes of comparison, here excluding size-class 0) represented the largest group of firms, accounting for 99.8% of enterprises and 69% of employment and turnover in EUR 12. Their weight was greater in Denmark, Spain and Portugal where they were responsible for about 80% of employment. Although still in the majority, the number of SMEs was below the average in Germany (63% of employment and turnover), France (66% of employment and 63% of turnover) and the UK (66% of total employment and only 44% of industrial turnover).

Of the total number of enterprises, 12% were engaged in industry, 13% in construction, 43% in distribution and 32% in the rest of services. Industry had the largest shares of employment and turnover (34 and 40% respectively) but distribution achieved a similar total turnover of ECU 4.3 thousand billion.

German enterprises accounted for almost a quarter of all EUR 12 employees

The four largest countries, Germany, the UK, France and Italy, were responsible for 67% of EUR 12 enterprises and 75% of employment. Germany had the largest shares in

most variables and sectors - over 23% of employment and turnover - and was especially important in industry where it accounted for a third of the large enterprises and 36% of their turnover. The UK contribution to employment in services was the highest at 23%. France was quite constant throughout the sectors and size-classes with roughly 15% of EUR 12 employment and turnover. However, this applied to neither Spain nor Italy, the latter accounting for 22% of micro enterprises and a quarter of their employment but with a much reduced share of the total of larger companies in EUR 12 (Table 3 and Figure 4).

Table 2

Population, employment and SME employment in EUR 12

1990	Total population	Active population	Persons employed	Of which %			Unemployment rate %
				0-9 ⁶	10-499	500 +	
EUR 12	344 941 900	144 542 000	92 071 601	30.3	39.4	30.3	8.3
B	9 987 000	4 091 000	2 352 325 ¹	17.0	47.7	35.3	7.6
DK	5 146 500	2 889 000	1 416 526	31.6	49.1	19.3	8.1
D	79 753 200	29 829 000	19 187 967	18.3	45.6	36.1	4.8
GR	10 120 000	3 967 000	353 091 ²	:	:	:	7.0
E	38 993 800	15 021 000	9 332 424	45.8	38.9	15.3	16.1
F	56 893 200	23 929 000	14 249 018	28.0	41.0	31.0	9.0
IRL	3 518 700	1 294 000	229 093 ³	:	:	:	14.5
I 1989	57 746 200	23 744 000	10 969 161	42.5	37.8	19.7	10.0
L	384 400	167 000	143 781 ¹	15.1	40.6	25.5	1.7
NL	15 010 400	6 784 000	3 001 522	.	.	.	7.5
P ¹	9 858 500	4 694 000	2 446 347 ¹	24.3	54.7	21.0	4.6
UK	57 530 000	28 133 000	20 844 506	27.1	39.1	33.8	7.0
A	7 833 000	3 526 000	1 068 219 ⁴	:	:	30.0	3.3
FIN	4 998 500	2 545 000	1 351 018	18.6	43.6	37.8	3.4
IS ⁵	255 900	128 000	86 806	34.6	:	:	1.8
FL 1991	:	:	15 587	29.6	56.3	14.1	:
N	4 249 800	2 104 000	871 151	30.8	51.7	17.5	5.2
S	8 590 600	4 577 000	1 985 623 ¹	:	:	.	1.5
CH 1991	6 750 700	3 583 000	2 715 145 ¹	23.0	51.6	25.4	0.6

¹ Number of employees.

² Number of persons employed of establishments with 10 and more employees in industry and repair sector (NACE 67) for Greece.

³ Persons employed of industrial establishments with 3 employees or more and salaried employment for construction enterprises with 20 employees or more.

⁴ Number of employees in industry and construction.

⁵ Active population of 1989.

⁶ Class 1-9 for B, L, P, A, FL, CH.

Sources: Eurostat and NSIs.

Table 3
Share of each country in the EUR 12 totals



1990	Variables		
	Enterprises %	Employment %	Turnover %
Germany	14.8	23.2	23.5
The United Kingdom	17.2	20.9	:
Italy 1989	21.5	15.7	:
France	13.9	15.5	15.4
Spain	17.0	10.5	:
Belgium	3.5	3.0	3.4
Portugal	4.2	3.0	1.2
Denmark	1.8	1.8	1.6
Luxembourg	0.1	0.2	:
GR, IRL, NL	5.9	6.2	:

Source: Eurostat.

Belgium, Portugal and Denmark, all small countries, together accounted for 8% of employment (7.4 million persons) and 6% of turnover.

US and Japanese SMEs were less significant in the total

Compared to its international counterparts EUR 12 had the highest share of enterprises with 1-19 employees, accounting for 93% of units and a third of employees (excluding size-class 0). Canada and Australia followed with 92% of units and 33 and 24% respectively of employment. However, the heaviest weights in the USA and Japan, far from corresponding to the small units (1-19 persons), belonged to the large firms (500 persons and over). The small units were responsible for only 20% of employment in the USA while US large firms employed over 61% of the workforce and obtained 61% of turnover (Table 4).

EUR 12, Canadian and Australian enterprises were smaller

The average size of firms with at least one employee was smallest in EUR 12 with 12 persons compared to 13 in Canada and Australia. US firms had the highest average with 18 employees. Furthermore, indus-

trial firms in the USA employed on average 56 persons, more than any other country analysed. Within EUR 12 the highest average was in the Netherlands with 16 persons, followed by France, Denmark and Luxembourg with 15 (Figure 6).

While the turnover obtained by US firms was higher than in EUR 12, the opposite applied to apparent productivity where average turnover per EUR 12 worker was 1.4 times higher.

EUR 12 and Japan were more industry oriented than Australia, Canada and the USA

At an international level both EUR 12 and Japan had a substantial weight in industry with EUR 12 industry accounting for 37% of employment and 40% of turnover. Meanwhile the US, Canadian and Australian economies were more services based. For example, in the USA 47% of units and 42% of employment were in the rest of services (transport and communication, banking and finance and other services).

Sectoral concentration trends

In all European countries, enterprises with fewer than 50 employees

accounted for around 98% of enterprises. However, their share of employment and turnover differed greatly from country to country, ranging from 40 and 37% respectively in Germany to almost 65 and 55% in Italy. In terms of concentration, the highest ranking sectors were energy, transport equipment, electrical engineering and chemicals in industry and banking and finance, transport services and renting in services. The least concentrated sectors were wood, textiles, food and metal processing, distribution and horeca.

Demography of enterprises: changes in the trend since 1990

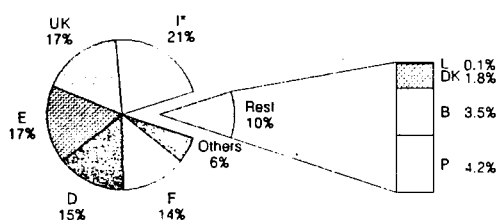
Overall the period 1986-91 showed a net increase in the stock of enterprises in most EUR 12 countries. More specifically, in the first four years there was a general increase in the stock of enterprises but this was followed by a decreasing trend towards 1990-91. Death rates varied greatly depending on size. The smallest size-classes had a high death rate. Variations in bankruptcy rates did not relate to any particular size-class.

Survival rates were dependent on sector

Up to 1990 birth rates in the whole economy were consistently higher than death rates. Thereafter the gap narrowed and in some cases even overtook births. The highest birth rates were in business services, where the highest survival rates were also found, while the lowest birth and death rates were in manufacturing. The survival rates in manufacturing and construction were average with approximately 80% of enterprises surviving one year, 60% surviving three years and half still in existence after five years. The lowest survival rates were in distribution.

Figure 4a

Share of each country in the total economy of EUR 12, 1990



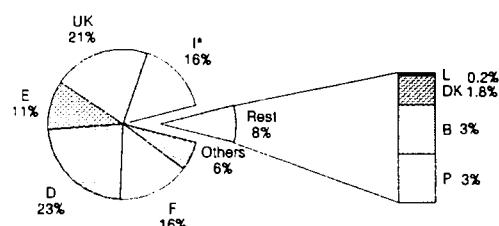
Share of enterprises

* Italy 1989.
Source: Eurostat.



Figure 4b

Share of each country in the total economy of EUR 12, 1990



Share of employment

* Italy 1989.
Source: Eurostat.



Table 4

Weight of employment size-classes in the whole economy

EUR 12 1990, USA 1990 Canada 1990, Japan 1991, Australia 1990		Employment size-classes ¹						
		Total	1-9 %	10-19 %	20-49 %	50-99 %	100-499 %	500 + %
Number of enterprises	EUR 12	6 744 024	84.7	8.2	4.6	1.3	1.0	0.2
	USA	5 044 808	77.1	11.2	9.3		1.7	0.7
	Canada	822 494	91.8		5.2	1.7	1.1	0.2
	Japan	1 706 926	70.4	14.1	9.6	3.2	2.7	
	Australia	360 900	80.0	11.0	5.8	1.7	1.6	
Number of persons employed	EUR 12	83 171 124	24.3	9.1	11.2	7.5	16.5	31.4
	USA	92 935 150	12.0	8.0	18.9		14.5	46.6
	Canada	10 791 515	23.9		12.0	8.7	16.6	38.9
	Australia	4 639 400	37.3		12.5	8.7	41.5	
Turnover ECU 1 000	EUR 12	9 860 787 245	18.6	8.3	12.3	8.2	21.3	31.4
	USA	7 271 374 098	12.6	7.2	18.1		13.9	48.1

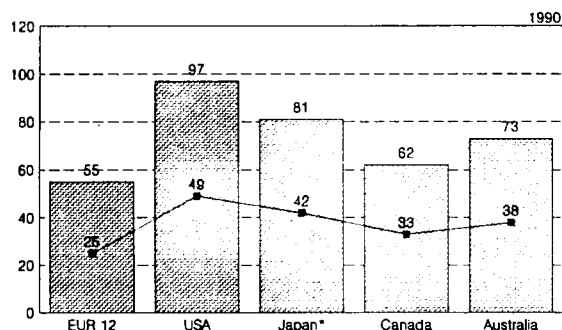
¹ Size-class 0 is excluded in all cases.
Source: Eurostat.

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Source: Eurostat.

Figure 5

Number of medium and large enterprises

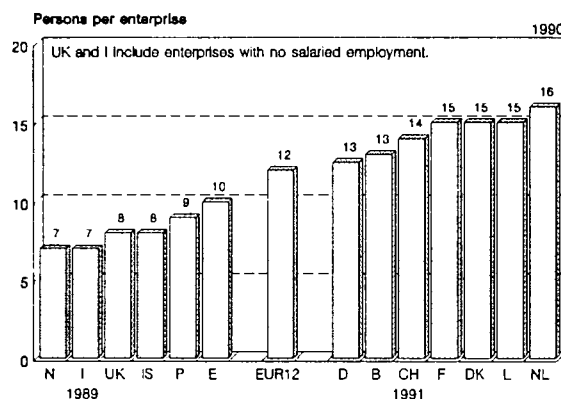


Medium and large enterprises per
 100 000 of active population 100 000 inhabitants

* Data for Japan refer to 1991.

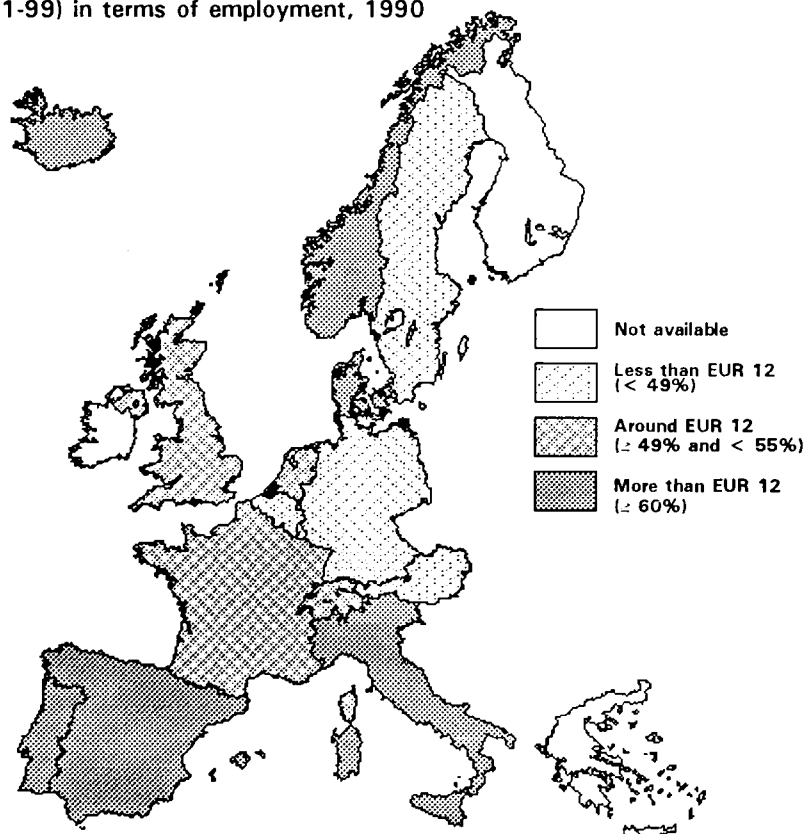
Figure 6

Average employment in enterprises with one employee or more



Map 1

Weight of small* enterprises (1-99) in terms of employment, 1990



* Size-class 0 is excluded.

Source: Eurostat.